



FINANCE

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approved Feb. 4, 2015

Finance Committee Meeting Minutes - January 7, 2016 Westmont Village Hall

Call to Order: 4:00pm - Trustee Guzzo

Pledge of Allegiance

Roll Call: Committee

Staff

Chair Trustee Guzzo	Manager Steve May (5:03pm)
Mayor Gunter	Finance Director Spencer Parker
Clerk Szymiski	Fire Chief Weiss
Trustee Addington	Police Chief Tom Mulhearn
Trustee Liddle	Police DC Gunther
Trustee Nero	Deputy Clerk Richards
	Director Ramsey

Minutes approved: The December 10, 2015 Regular Meeting Minutes were approved by a motion from Trustee Addington and a second by Trustee Liddle.

Unfinished Business: none

New Business:

- A. Budget Schedule - Director Parker reviewed the budget schedule for the 2016/2017 budget year. Asked Trustees to check their schedules for the week of Monday, April 4, 2016 so that a date could be set for the budget workshop. If another workshop is needed due to problems with the state or other issues, an additional date can be set at the time as long as we have one scheduled.
- B. Water Bill Rates - An informational note from Director Parker regarding the fact that water rates for the past year are not covering the costs. DuPage raised the rate last year more than had originally been reported and we have only increased the rate to cover the estimated rate to pass the costs on to the residents. Also, traditionally the rate is increased by the DuPage Water Commission every January; there will not be an increase this year

so we will only have the rate adjustment for last year to be calculated this year. There will be more of an analysis presented at the Public Works meeting in February.

- C. Investment Policy - Public Unit Deposit Letter of Credit from Federal Home Loan Bank of Chicago(PUDLOC) Request to change the investment policy, the investment policy lists several different items that are acceptable as collateral; the goal is to make sure the money is safe at the bank. Director Parker reviewed the account at Clarendon Hills/Wintrust and the provisions of safety and the securities in place, explaining the limits on deposit insurance. In reviewing possibilities with financial institutions, the state statute allows for a public unit deposit letter of credit from the Federal Home Loan Bank of Chicago. A letter of credit from the Federal Home Loan is a widely used tool, the only downside possible would be a catastrophic economic collapse of the federal home loan system, and if that did happen on such a level it would affect all bank funds not just a letter of credit. This option is not on our list of board approved options, and it is the most requested option by lenders to insure their funds without tying up their liquid funds. Director Parker states that the letter of credit is a simpler, easier method of insuring the funds, and our access to the funds would be cleaner and easier if there was a problem at the bank. The letter of credit will cover an amount higher than the actual balance at the time it is applied for so that if money is transferred into that account pushing it over the collateral limit, it is still covered - this gives us some flexibility. This only works with banks on the Federal Home Loan Bank of Chicago's approved list, as they will not insure a bank that does not meet their standards. The fact that this option was not available kept some banks from participating in our bid for banking services. Director Parker is requesting that the letter of credit be an option. He would like to hybrid this method using 1/2 collateral and 1/2 line of credit to insure the Village bank funds.
- a. Mayor Gunter ask if there was a big financial difference from our standpoint.
Director Parker stated that there was no additional fees.
 - b. Chair Guzzo asked if it was the bank that requested the PUDLOC, Director Parker stated that the bank filed all that paperwork.

The committee agreed that this item would be on the next board meeting agenda to be voted on as a policy change, Director Parker stated that this would be a line change in the policy to add this option with no other changes to the policy.

Reports:

Chair: Trustee Guzzo asked when the 2016/2017 budget had to be approved by? Director Parker stated that the budget must be approved with enough time for the appropriations ordinance to be passed by the end of July. The budget is May through April so that we are not operating without a budget, as the state is doing at this time. Manager May said that in the last 25 years he only remembers the budget being passed in May twice, the goal is to pass it in April.

Trustee Guzzo asked how the state's problems were going to affect the Village budget, are we going to do an A and a B? Director Parker reported that it would be similar to this year's budget -

a budget using state funds received and a budget list with what can wait if we receive no funds. Manager May stated that we move forward with an A, and that each line item is possible to hold until we know what the State will do. Trustee Addington discussed the legislative information he has received from the DMMC.

Finance Director: WSEC has made a request for a hotel/motel grant request. It was received too late for this agenda so it will be on the next agenda. In the budget for the hotel/motel tax we set aside \$25,000.00 and we commit \$10,000.00 to WSEC. This year we have used 1/2 of that \$25,000.00 for other events leaving \$7500.00 at this time. WSEC is requesting an additional \$10,000.00 that we do not currently have in the budget. We could look at tentatively tell them if there are no other requests on the \$7500.00 that it could be an additional grant to them, then we could budget higher in this next budget.

Mayor Gunter asked if they received their \$10,000.00? Spencer reported that the WSEC receives their funding in January. The \$10,000.00 additional would be a May budget concern, even though WSEC is looking for the additional funds now as they move forward with the Thursday night events that are not revenue generators. The approved grant of \$10,000.00 is budgeted for this fiscal year. The additional would move into budget discussion for the next budget year. The Mayor and Chair Guzzo agreed. Trustee Addington stated that there were groups, like the Lions Club that really used the 50/50 grant option and then asked about the funds for the 100th anniversary - will it be a separate item or will it come out of this line item for grant requests? Director Parker replied that there was \$100,000.00 assigned from cash reserves for the anniversary. Mayor Gunter remarked that with the Westmont Auto Mile having lost some members that the funds generated by their sponsorship might be lower than in previous years. So that the Thursday Night's, Taste of Westmont, and the Fireworks these events that do not make money will now be coming to the Village. Director Parker replied that the Westmont Auto Mile received Village funds so it would all have to be looked at during the budget process. There are many good causes for the funds unfortunately it is a limited supply.

Adjourn: 4:34p Motion to adjourn by Clerk Szymiski, second by Trustee Addington - all ayes.